

**REMARKS**

Claims 1-13 are all the claims pending in the Application.

The Examiner objected to the Drawing as not showing a feature recited in claim 7. Claim 7 is amended. This is not a narrowing amendment. No estoppel is created. Therefore, the Examiner's objection has been fully addressed and should now be withdrawn. The Examiner is respectfully requested to acknowledge acceptance of the Drawing in the next Office correspondence.

The Examiner objected to claims 7 and 8 because of certain informalities. Claims 7 and 8 are amended. These claims amendments constitute minor changes in wording that correct the inappropriate uses of the word "said." These changes are not narrowing amendments. No estoppel is created. The objection to claims 7 and 8 should now be withdrawn.

***Rejection of Claims 1, 2, 7 and 11 Under 35 U.S.C. § 102***

Claims 1, 2, 7 and 11 have been rejected under 35 U.S.C. § 102(e) as being anticipated by Drexler (U.S. Patent No. 6,199,761). This rejection is traversed.

Among the problems recognized and solved by Applicant's claimed invention is a need to validate a card based on an area in which the card is registered<sup>1</sup>. According to an aspect of

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<sup>1</sup> Applicant does not represent that every embodiment of Applicant's claimed invention necessarily recognizes the problem identified here, or provides the particular solutions herein

...(footnote continued)

Applicant's claimed invention, the verification apparatus and/or the settlement system has information about the registered area of the card and also receives data about the place of the card reader. According to this aspect of the invention, the card is verified only when there is a correspondence between the place of the card reader and the registered area of the card.

Independent claim 1 requires, *inter alia*, verifying the card only when a place in which the read unit is located is within an area corresponding to the card identification code. Further, independent claim 7 requires, *inter alia*, determining whether or not the place of the read unit is in an area of the card. Moreover, independent claim 11 requires, *inter alia*, verifying the card only if a location of the card reader corresponds to the area of the card.

Drexler discloses a validation method for electronic cash cards and digital identity cards utilizing optical data storage. Drexler discloses that (1) validation or password data is recorded at a specified spot or location on the card and this data is optically read by the card reader from the card; and (2) the card's password (verification data) and the password associated with an electronic card reader are sent to a password server, and both the card's passwords and the card reader's password have to be valid for the transaction to proceed.

Drexler does not disclose or suggest verifying a card based on an area of the card, or based on a place in which a read unit is located. Clearly, Drexler does not disclose or suggest

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discussed. The present discussion merely illustrates some aspects of Applicant's claimed invention.

card verification based on a correspondence between a location of a read unit and an area of the card, as required *inter alia* by claims 1 and 11.

Further, Drexler does not disclose or suggest prohibiting settlement based on an area of a card, or based on the place of a read unit. Clearly, Drexler does not disclose or suggest determining whether or not the place of the read unit is in an area of the card, as, *inter alia*, required by claim 7. Therefore, Drexler does not disclose or suggest the recitations of independent claims 1, 7 and 11 at least for these reasons.

Claim 2 depends from claim 1 and thus incorporates novel and nonobvious features thereof. Therefore, claim 2 is patentably distinguishable over the prior art, including Drexler, for at the reasons that claim 1 is patentably distinguishable over the prior art.

***Rejection of Claims 6 and 13 Under 35 U.S.C. § 103***

Claims 6 and 13 are rejected under 35 U.S.C. § 103(a) as being obvious over Drexler (U.S. Patent No. 6,199,761). This rejection is traversed.

Claim 6 depends from independent claim 1; claim 13 depends from independent claim 11. Therefore, claims 6 and 13 incorporate novel and unobvious features of their respective base claims and are patentably distinguishable over the prior art for at least the reasons that independent claims 1 and 11, respectively, are patentably distinguishable over the prior art. As explained with respect to claims 1 and 11, Drexler does not disclose or suggest, and therefore, is incapable of teaching, at least the above-noted limitations of claims 1 and 11.

*Rejection of Claims 3-5, 8-10 and 12 Under 35 U.S.C. § 103*

Claims 3-5, 8-10 and 12 have been rejected under 35 U.S.C. § 103(a) as being obvious over Drexler (U.S. Patent No. 6,199,761) in view of Seiderman (U.S. Patent No. 5,388,148). This rejection is traversed.

Independent claim 9 requires, *inter alia*, verifying the card only when a location of the read unit corresponds to the identification code area.

Seiderman discloses a cellular telephone calling system using credit card validation. Seiderman discloses that when a user using a cellular phone associated with a rented car vehicle swipes a credit card to pay for the telephone call, the credit card is validated before the telephone call is allowed. Seiderman does not cure the deficiencies of Drexler as they relate to Applicant's claimed invention as claimed in claim 9.

Claim 10 depends from claim 9 and thus incorporates novel and nonobvious features thereof. Therefore, claim 10 is patentably distinguishable over the prior art for at least the reasons that claim 9 is patentably distinguishable over the prior art.

Claims 3-5 depend from claim 1; claim 8 depends from claim 7; and claim 12 depends from claim 11. Therefore, claims 3-5, 8, and 12 incorporate novel and nonobvious features of their respective base claims and are patentably distinguishable over the prior art for at least the reasons that their respective base claims are patentably distinguishable over the prior art.

In view of the foregoing remarks, reconsideration and allowance of this Application are now believed to be in order, and such actions are hereby solicited. If any points remain in issue

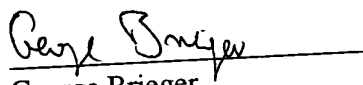
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Q65782

which the Examiner feels may be best resolved through a personal or telephone interview, the Examiner is kindly requested to contact the undersigned attorney at the telephone number listed below.

The USPTO is directed and authorized to charge all required fees, except for the Issue Fee and the Publication Fee, to Deposit Account No. 19-4880. Please also credit any overpayments to said Deposit Account.

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Date: August 7, 2003